

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT	)	CASE NO.
FILING OF CITIPOWER, LLC	)	2017-00451

ORDER

On November 14, 2017, the Commission issued its Order in Case No. 2017-00160<sup>1</sup> approving certain adjustments to the rates of Citipower, LLC (“Citipower”) and providing under certain conditions for the further adjustment of such rates in accordance with the provisions of Citipower’s Purchased Gas Cost Adjustment Clause.

On November 30, 2017, Citipower filed its Gas Cost Recovery (“GCR”) rate application to be effective January 1, 2018.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Citipower’s application proposes revised rates designed to pass on to its customers its expected change in gas costs.
2. Due to a spreadsheet rounding error, Citipower’s application erroneously sets out an Expected Gas Cost (“EGC”) of \$3.8391 per Mcf. Citipower’s corrected EGC is \$3.8390 per Mcf, which is a decrease of \$.0074 per Mcf from the previous EGC of \$3.8464 per Mcf. Citipower’s average 12-month EGC is based in part on the expectation that it will need to buy gas at a higher-than-normal price from Citizens Gas Utility District

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<sup>1</sup> Case No. 2017-00160, *Application of Citipower, LLC for a Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076* (Ky. PSC Nov. 14, 2017).

("Citizens Gas") during periods of high usage in cold weather. Citizens Gas's volumes are priced using current price projections as of November 2017. The EGC is otherwise based on Citipower's expected cost of gas from its primary supplier, Citigas, LLC, ("Citigas"), a CitiPower affiliate pursuant to 278.010(18), using the New York Mercantile Exchange ("NYMEX") Natural Gas 12-Month strip rate for December 2017.

3. Citipower's application sets out no Refund Adjustment.

4. Citipower's application sets out a current quarter Actual Cost Adjustment ("ACA") of \$.0424 per Mcf. Citipower did not use the correct EGC in effect for the months of July, August and September. Citipower's corrected current quarter ACA is (\$.0148) per Mcf. Citipower did not use the correct Previous Quarter Reported Actual Adjustment in the calculation of its total ACA. Citipower's corrected total ACA is (\$.1530) per Mcf, which is an increase of \$.0118 per Mcf from its previous total ACA of (\$.1648) per Mcf.

5. Citipower's application sets out a current quarter Balance Adjustment ("BA") of \$.0031 per Mcf. Citipower did not include the reconciliation of the expired (\$.0896) per Mcf ACA previously approved in Case No. 2016-00318<sup>2</sup> in the calculation of its current quarter BA. Citipower's corrected current quarter BA is (\$.0267) per Mcf. Citipower did not use the correct Previous quarter Reported Balance Adjustment in the calculation of its total BA. Citipower's corrected total BA is (\$.0266) per Mcf, which is a decrease of \$.0442 per Mcf from its previous total BA of \$.0176 per Mcf.

6. Citipower's corrected GCR rate is \$3.6594 per Mcf, which is a decrease of \$.0398 per Mcf from the previous GCR rate of \$3.6992 per Mcf.

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<sup>2</sup> Case No. 2016-00318, *Purchased Gas Adjustment Filing of Citipower, LLC* (Ky. PSC Sept. 23, 2016).

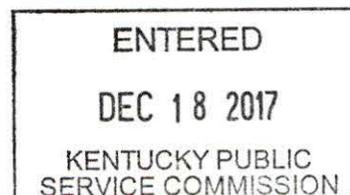
7. To aid in the Commission's review of Citipower's applications, Citipower should continue to submit all invoices it receives from Citigas and Citizens Gas when it files its GCR rate applications.

8. The rates set forth in the Appendix to this Order are fair, just, and reasonable, and should be approved for service rendered by Citipower on and after January 1, 2018.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Citipower are denied.
2. The rates set forth in the Appendix to this Order are approved for service rendered by Citipower on and after January 1, 2018.
3. Citipower shall submit all invoices received from Citigas and Citizens Gas as part of all future GCR filings.
4. Within 20 days of the date of this Order, Citipower shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2017-00451 DATED **DEC 18 2017**

The following rates and charges are prescribed for the customers served by Citipower, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RESIDENTIAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$8.0000		
All Mcf	\$7.8500	\$3.6594	\$11.5094

COMMERCIAL AND INDUSTRIAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$15.0000		
All Mcf	\$ 7.9000	\$3.6594	\$11.5594

INSTITUTIONAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$20.0000		
All Mcf	\$ 8.4200	\$3.6594	\$12.0794

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